

SERIAL 05129 RFP ECONOMIC FORECASTING SERVICES

DATE OF LAST REVISION: December 07, 2005 CONTRACT END DATE: December 31, 2008

CONTRACT PERIOD THROUGH DECEMBER 31, 2008

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **ECONOMIC FORECASTING SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **December 31, 2008.**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Leeann Bohn, Office of Management and Budget
Chris Bradley, Office of Management and Budget
Mirheta Muslic, Materials Management

(Please remove Serial 02083-RFP from your contract notebooks)



CONTRACT PURSUANT TO RFP

SERIAL 05129-RFP

This Contract is entered into this 8TH day of December, 2005 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and ELLIOT D. POLLACK AND COMPANY, an ARIZONA CORPORATION ("Contractor") for the purchase of Economic Forecasting services.

1.0 TERM

- 1.1 This Contract is for a term of three (3) years, beginning on the 1st day of January, 2006 and ending the 31st day of December, 2008.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of three (3) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A." Payment shall be made as set forth in Exhibit A.
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. Invoices shall contain the following information: contract number, purchase order number, description of services, price of services, and extended totals.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as Exhibit "B."
- 3.2 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 INDEMNIFICATION

4.1.2 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.3 Insurance Requirements.

CONTRACTOR, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of **COUNTY**. The form of any insurance policies and forms must be acceptable to **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of **COUNTY**, constitute a material breach of this Contract.

CONTRACTOR'S insurance shall be primary insurance as respects **COUNTY**, and any insurance or self-insurance maintained by **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to **COUNTY** under such policies. **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and **COUNTY**, at its option, may require **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

COUNTY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

4.1.3.1 Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability Insurance (CGL) and, if necessary, Commercial Umbrella Insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form

CG 00 01 10 93 or any replacements thereof. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The CGL and the commercial umbrella coverage, if any, additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 10 01, and shall include coverage for **CONTRACTOR'S** operations and products.

4.1.3.2 Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONTRACTOR'S** vehicles (including owned, hired, non-owned), assigned to or used in the performance of this Contract. If hazardous substances, materials, or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

4.1.3.3 Workers' Compensation. **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

CONTRACTOR waives all rights against **COUNTY** and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by **CONTRACTOR** pursuant to this agreement.

In case any work is subcontracted, **CONTRACTOR** will require the Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of **CONTRACTOR**.

4.1.4 Certificates of Insurance.

4.1.4.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to **COUNTY** fifteen (15) days prior to the expiration date.

4.1.4.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003

For Contractor:

Elliot D. Pollack & Company
Attn: Elliot D. Pollack
7505 East 6th Ave. Suite 100
Scottsdale, AZ. 85251

4.3 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made. Contractor shall take no action under this Contract unless specifically requested by County, which shall submit a written notice to Contractor requesting that work be performed.

4.4 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.5 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.6 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.7 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.8 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.9 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.10 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.11 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.12 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.13 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.14 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

ATTESTED:

DATE

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

DEPUTY MARICOPA COUNTY ATTORNEY

DATE

**EXHIBIT A
PRICING**

SERIAL 05129-RFP

PRICING SHEET P08 95 21 NIGP 91837 /B0604291

BIDDER NAME: ELLIOT D. POLLACK AND COMPANY
 VENDOR #: 7505 EAST 6TH AVENUE, SUITE 100 SCOTTSDALE AZ. 82251
 BIDDER ADDRESS: SAME
 P.O. ADDRESS: SAME
 BIDDER PHONE #: 480-423-9200
 BIDDER FAX #: 480-423-5942
 COMPANY WEB SITE: WWW.ARIZONAECONOMY.COM
 COMPANY CONTACT (REP): JILL WELCH
 E-MAIL ADDRESS (REP): WELCH@EDPCO.COM

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: YES

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: NO

PAYMENT TERMS:
 2% 10 DAYS NET 30

1.0 PRICING:		YEAR 1	YEAR 2	YEAR 3
1.1 YEARLY RETAINER FOR DELIVERABLES ON EXHIBIT 3		\$74,500.00	\$76,400.00	\$78,300.00
1.2 HOURLY RATES FOR WORK OUTSIDE DELIVERABLES				
1.2.1	ELLIOT POLLACK	\$ 185.00	\$ 185.00	\$ 185.00 PER/HOUR
1.2.2	JILL WELCH	\$ 145.00	\$ 145.00	\$ 145.00 PER/HOUR
1.2.3	JIM ROUNDS	\$ 145.00	\$ 145.00	\$ 145.00 PER/HOUR
1.2.4	SUPPORT PERSONNEL	\$ 100.00	\$ 100.00	\$ 100.00 PER/HOUR

**EXHIBIT B
ECONOMIC FORECASTING SERVICES**

1.0 INTENT:

The intent of this contract to provide econometric forecasting and analysis services for Maricopa County. The scope of services of this contract includes development and maintenance of advanced econometric forecasting models, databases of demographic and economic indicators, and fiscal impact analysis of legislation and other issues. Forecasts will be provided for County revenues, particularly major tax-based sources, as well as specific major expenditure items and factors that influence demand for County services and the cost of providing services. The Contractor(s) will be expected to update and improve forecasting models in line with current econometric and industry trends. The Contractor will be expected to represent Maricopa County regarding economic and legislative issues at various times and before various groups as required.

- 1.1. This document defines the basic services required. Contractor(s) shall furnish all labor, materials, and equipment (including data processing equipment) necessary to perform the work required.
- 1.2. It is anticipated that this will be a multiple award contract with a primary and a secondary contractor. The primary contractor will be responsible for all tasks and deliverables in Exhibit 2 the Scope of Work. The secondary contractor(s) will be used for projects, based on quotes or their time and material hourly rate. These other projects will be defined by the County and may include to assist the County in reviewing the validity of the primary contractor's deliverables. Additional contractors maybe added to this contract at the County's option if needed for specific additional tasks.

2.0 SCOPE OF WORK:

The primary Contractor shall furnish all necessary labor; materials, equipment, and space needed to provide econometric services in accordance with the provisions specified herein.

- 2.1 Quarterly Forecasts: The Contractor shall prepare a minimum of four quarterly updates of the financial forecast including, but not limited to, short and long-range revenue and expenditure forecasts.
- 2.2 Forecasts shall include three scenarios; pessimistic, most likely, and optimistic; each scenario shall have a probability assigned to it which represents the likelihood that County collections will meet or exceed the forecasted amount.
- 2.3 Forecasts shall be based on detailed econometric forecasting models for each major revenue source. The Contractor shall incorporate current econometric and industry trends to improve forecast models once they are developed.
- 2.4 Forecasts shall incorporate the impact of business cycles.
- 2.5 Forecast models shall incorporate the ability to model changes in statutes regarding revenue collection and distribution.
- 2.6 The Contractor shall provide and explain the assumptions and economic models applied in forecast development.
- 2.7 The Contractor shall obtain benchmarks and compare current forecasting methodologies to those of similar jurisdictions.
- 2.8 The items to be forecasted on a regular basis are those listed in section 2.15. This list may be amended or adjusted based on the needs of the County, subject to agreement by the Contractor.
- 2.9 Economic and Demographic Indicators: The Contractor shall continually review, update, and analyze demographic and economic indicators, particularly those related to Maricopa County.

- 2.9.1 The Contractor shall supply other demographic data and economic information that drives changes in County expenditures and revenues for use in County documents and to support County-planning efforts.
- 2.9.2 Basic data needs may vary throughout the year, and shall be articulated through direct contact with Maricopa County.
- 2.9.3 The Contractor shall provide ready access to any database used in a format compatible with County information systems.
- 2.10 Legislative and Other Fiscal Impact Analysis: The Contractor shall analyze the fiscal impact of proposed legislation and other issues on an as-needed basis and in a timely manner.
 - 2.10.1 The Contractor shall be expected to have staff available to analyze legislation in a timely manner during peak periods. The County's peak demand for legislative fiscal impact analysis will occur when the Arizona Legislature is in session, particularly from January through April.
 - 2.10.2 Written research reports may be required as a result of fiscal impact analysis, which could include financial as well as service impacts.
 - 2.10.3 The Contractor shall be required to document and report all sources of data used to conduct fiscal impact analysis.
 - 2.10.4 Presentations: The Contractor shall conduct presentations at various times throughout the year.
 - 2.10.5 The Contractor shall be expected to make at least two presentations of the quarterly forecast to County management and/or the County Board of Supervisors and develop reports and present information garnered under this contract as needed.
 - 2.10.6 Presentations may be required for the management team, the County Board of Supervisors, the State Legislature and for other audiences on occasion.
- 2.11 Work Plans and Schedules: The Contractor shall submit regular work schedules and project plans to OMB on a quarterly basis. The Contractor shall submit revised schedules when circumstances require substantial changes from the previous quarterly plan, including work requested by the County on an as-needed basis.
- 2.12 Progress Reports:
 - 2.12.1 The Contractor shall prepare and submit monthly progress reports to OMB that indicate adherence to project plans and milestones reached. Monthly progress reports shall also include an accounting of total hours worked by the Contractor and/or Contractor's staff during the period.
 - 2.12.2 The Contractor shall prepare and submit annual progress reports along with the quarterly forecast report for the fourth quarter of each fiscal year. The annual progress report shall compare actual data with the Contractor's previous forecasts for each of the regularly forecasted items, and will explain significant variances.
- 2.13 Availability:
The Contractor shall be available on-site, when needed. Site Location: Office of Management & Budget, 301 West Jefferson, Suite 1070, Phoenix, Arizona, or other similar location.
- 2.14 Contractor's Performance:
The Contractor shall furnish all necessary labor, tools, equipment, supplies and space to perform the required services. The OMB contract administrator or his/her agent will decide all questions

that may arise as to the quality and acceptability of any work performed under the contract. If, in the opinion of the OMB contract administrator or his/her agent, performance becomes unsatisfactory, the County shall notify the Contractor. The Contractor will have two (2) days from that time to correct any specific instances of unsatisfactory performance. In the event the unsatisfactory performance is not corrected within the time specified above, the County shall have the immediate right to complete the work to its satisfaction and shall deduct the cost from any balances due, or to become due, to the Contractor. Repeated incidence of unsatisfactory performance may result in cancellation of the agreement for default.

2.15 Deliverables:

2.15.1 Items to be Included in Quarterly Forecasts:

- 1. Maricopa County Revenues**
- 2. State Shared Transaction Privilege (Sales) Taxes**
- 3. State Shared Vehicle License Taxes**
- 4. State Shared Highway User Revenue Funds (HURF)**
- 5. Primary Net Assessed Value (total and for properties taxed in the prior year)**
- 6. Secondary Net Assessed Value (total and value used for Flood Control District taxes)**
- 7. Jail Excise Tax**

2.15.2 Maricopa County Expenditures

- 1. AHCCCS Acute Contribution**
- 2. ALTCS Acute Contribution**

2.15.3 Demographic Information

- 1. Maricopa County Population**
- 2. Arizona Population**
- 3. U.S. Population**
- 4. Maricopa County Population by Age**
- 5. Maricopa County Population by Race**
- 6. Maricopa County Population – Births, Deaths and Net Migration**

2.15.4 Economic Information

- 1. Maricopa County Unemployment Rate**
- 2. Arizona Unemployment Rate**
- 3. U.S. Unemployment Rate**
- 4. Maricopa County Employment**
- 5. Arizona Employment**
- 6. U.S. Employment**
- 7. Maricopa County Labor Force Data**
- 8. Arizona Labor Force Data**
- 9. U.S. Labor Force Data**
- 10. Maricopa County Non-Farm Wage & Salary Employment – Percent Distribution**
- 11. Arizona Non-Farm Wage & Salary Employment – Percent Distribution**
- 12. U.S. Non-Farm Wage & Salary Employment – Percent Distribution**
- 13. Maricopa County Personal Income**
- 14. Maricopa County Retail Sales**
- 15. Maricopa County Building Permits**
- 16. Maricopa County Single Family Housing Units Authorized**
- 17. Maricopa County (Unincorporated) Single Family Housing Units Authorized**
- 18. Arizona Single Family Housing Units Authorized**
- 19. Maricopa County Multi-Family Market/Inventory & Vacancy Rates**
- 20. Maricopa County Office Market/Inventory & Vacancy Rates**
- 21. Maricopa County Commercial Building Permits**
- 22. Maricopa County Major Employers**

- 23. U.S. Consumer Price Index**
- 24. U.S. Medical CPI**
- 25. U.S. Real Gross Domestic Product**
- 26. GDP Price Deflator**

2.16 Tax:

No tax shall be levied against labor. Pricing is to include all labor, overhead tools and equipment used, profit, and any taxes that may be levied. It is the responsibility of the Contractor to determine all taxes and include the same in proposal price.

ELLIOTT D. POLLACK & COMPANY, 7505 EAST 6TH AVENUE SUITE 100, SCOTTSDALE, AZ 85251

PRICING SHEET: P089521/NIGP 91837 /B0604291

Terms:	NET 30
Vendor Number:	W000003476 X
Telephone Number:	480/423-9200
Fax Number:	480/423-5942
Contact Person:	Elliott D. Pollack
E-mail Address:	Welch@edpco.com
Company Web Site:	www.arizonaeconomy.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending December 31, 2008.